was appointed by Mr. Motilal Vohra which gave its report in November 1988 recommended more than 55 drugs, essential drugs, for the health programme. They have not been put under Category I and ... *(Interruption)*.

MR. CHAIRMAN: Are you putting your supplementary under question No. 181, or have you removed on to your question?

DR. (SHRIMATI) SAROJINI MAHISHI: I am asking this question under question No. 181. He says they are purchasing according to the Expert Committee recommendations. The Expert Committee was appointed in 1988; it submitted a report; it recommended 55 drugs. But purchases have never been made. They have never been brought under price control also. That is one thing. Secondly, 14 schemes have been given for the National Health Programme. Only 11 were referred. What happened to the other four? Why they were not taken into consideration ?

SHRI NILAMANI ROUTRAY: Sir, I will require notice. *(Interruptions)*.

MR. CHAIRMAN: Question No. 182.

Inclusion of drugs under price control

*182. CHOWDHARY RAM SEWAK:t
DR. (SHRIMATI) SAROJINI MAHISHI;

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government's attention has been drawn to the newsitem which appeared in the *Economic Times* of the 9th March, 1990 captioned "Action to recover dues from drug firms soon";

(b) if so, whether it is a fact that a number of drugs having monopoly production and high market share of brands,

t The Question was actually asked on the floor of the House by Chowdhary Ram Sewak.

which do not fulfil any of the five exclusion criteria as laid down by Kelkar Committee are still outside the price control;

(c) whether it is a fact that a number of representations have been received for inclusion of these drugs under price control;

(d) whether it is also a fact that none of these drugs fall under the ambit of expert groups; and

(e) by when his Ministry would examine these drugs to bring them under price control?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY) (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) to (e) Government have constituted a Standing Committee under the Chair, mansbip of Secretary, Department of Chemicals & Petrochemicals to consider all matters connected with the review of Drugs (Prices Control) Order, 1987 and the representations made on various Po. licy issues concerning DPCO, 1987, including exclusion inclusion of drugs in the schsduled categories,

The Standing Committee will be assisted by three Expert Groups, who are of advisory nature. The reports of these Expert Groups will be considered by the Standing Committee for making final recommendation. Ah. such matters which do not fall within the ambit of the Expert Groups will be directly considered by the Standing Committee for a final recommendation.

CHOWDHARY RAM SEWAK: Sir, a complete answer has not been given by the Minister. May I repeat my question ? The Government, in its press release issued on 8th March 1990, which appeared in the *"Economic Times"* on 9th March, 1990, said that all these.. . *(Interruption)* ,

MR. CHAIRMAN. He has read out the answer. You cannot read your question here again. The question is printed and everybody is supposed to read it very thoroughly. So you put a supplementary now. Don't read your question.

CHOWDHARY RAM SEWAK: it is the specific principle. Out of five exclusion principles laid down by the Committee. . . *(Interruptions)...*

MR. CHAIRMAN: You can't read your question again.

CHOWDHARY RAM SEWAK: No, I am not reading the question. I am putting a supplementary.

MR. CHAIRMAN: You are doing it by reading the question again.

CHOWDHARY RAM SEWAK: Sir, I am not reading it. I am putting another *question . . . (Interruptions). . .*

Out of five exculusion principles laid down by the Committee under which **all** these drugs were excluded from the price control criteria, why the Government has not brought these drugs under price control after the verification and examination when a number of representations have been received by the Government?

SHRI M. S. GURUPADASWAMY: Sir, since I took over as the Minister, I set up a standing committee in my Ministry to look into various aspects, problems and questions raised by Members of Parliament in regard to pharmaceuticals and this standing committee headed by my Secretary has constituted three expert committees and these committees have already met. They are reviewing the whole DPCO, 1987. They are also meeting on the 28th of this month i.e. after two or three days, to consider the recommendations of the three commitees set up already. Therefore, the whole matter is inder review I assure the Member that :he main question that he has raised—whether five principles enunciated by, the Kelkar Committee are being implemented properly and effectively or whether these principles are proper, correct and rational, all these things will be gone into.

CHOWDHARY RAM SEWAK: Sir, in reply to Unstarred Question No. 2339 on 7th August. 1989, Rajya Sabha was informed that the Government excluded Glybenclamide (an anti-diabetic drug) from price cotrol on the recommendation of the Kelkar Committee on the ground that this drug is no longer in the WHO list. It has been further stated that there is only one producer in the country and the price of unfinished medicine has been increasd from Rs. 8.88 to Rs. 14.99 after price decontrol. I would like to know from the hon. Minister how this drug has been excluded from price control when the drug does not fulfil any of the five exclusion criteria as laid clown by the Committees There is only one producer of the drug and the sales turnover of the drug was more than Rs. 2 crores during 1987-88 and degree of concentration of the producer is around 87 per cent of the finished medicine market. How the Committee adopted a special ground to favour the multinational company and once a ground has been taken, why the same has not been applied uniformally?

There are around 30 drugs which do not appear on the WHO list but were recommended for price control by the Committee and are under price control. I would like to know what steps have been taken to bring them under price control when the' Government has stated that the drugs do not fit into any of the exclusion criteria.

SHRI M. S. GURUPADASWAMY: May I make it very clear at the outset the Government and the Members of Par. liament should be concerned to what extent the control should be exercised over drugs. That is a matter for discussion. Whether we should have a larger control, a greater control over drugs or the ccntro; should be less—it is a matter of policy. . *(Interruptions)*.. . Just a minute That also is being considered and I invite the Membtrs to make suggestions in this regard. I will take them all into consideration.

Number 2, Sir, the pharmaceuticals sector is a very complicated sector. If I may digress a bit, if I use a little joke, I think the matters in this sector are so complicated, vast and difficult that I think I have to take aspirin first to deal with these questions in the morning, and take campose in the night to sleep peacefully. May I say, Sir, that the particular drug which he has referred to namely, Glybenclamide, which has been excluded on the ground that this drug] is no more in the WHO list, why the same principle was not followed in respect of other drugs also? It is true, Sir, I think that they have made a mistake. I concede that. But I am looking into that question also why this drug alone was excluded and not other drugs, why the same principle was not applied to other drugs also? This is a matter for consideration. May I say, Sir, that taking into consideration the various questions, and suggestions made by the Members of Parliament, here and in the other House, that recently on the 27th of last month, I have included 21 bulk drugs in List No. 2 and all the formulations made on the basis of these bulk drugs. Therefore, Sir we are at it. My thrust and my objective is to give drugs to the people, quality drugs at reasonable prices and without discouraging investments. I have to balance both. I have kept both these things in view. Keeing these things in view, T have brought these 21 drugs under price control.

DR. (SMT.) SAROJINI MAHISHI: Sir, at the outset, I must appreciate the dedion-taken by the Minister to bring 21 drugs under price control from the 17th of February, 1990. It is very difficult, as he said. But I would like to advise the Minister not to take aspirin Or campose for solving *{Interruptions)* his problems. Many of them, novalgin. aspirin and such other drugs are banned. (*Interruptions).* Now, Sir, I hope the House will just take this sentence lightly. When a Minister said that he would be required to take aspirin, T said he should not take it. Anyway, Sir, coming to the point 21 drugs have been b**rought** under the price control according to **the** Drugs Prices Control Order, 1987, and out of these 21, 19 beiong to the multinational drugs and their counterparts in India and two belong to-Indian companies which were importing. All these are imported drugs and monopoly drugs. These ought to have been brought under price control long back. Why these were not brought under price control long back the Minister has got to see into these things also, and he should read on the lines and in-between the lines, why these things were not brought. Coming to the other point, there were sixty price exclusion criteria prescribed by the Kelkar Committee itself. However, if any important thing and insignificant quantity is imported from abroad then that shoud be excluded. No. 2, if the turnover or the landed price of any particular drug is less than Rs. 50 lakhs, that should be excluded. In the case of life-saving drugs, the cost is unimportant, but life-saving is important and, therefore, it should be excluded. If there is a competitive structure in making the drugs also, that competitive structure itself will take care of the drugs also. Therefore, under such circumstances the criteria have been laid down by the Kelkar Committee. And Members of Parliament and other people they recommended sixty drugs and experts also had recommended sixty drugs to be brought under price control which do not fall within the category of exclusion. But only 24 have been done and 36 have not been taken into consideration at all by the-committee saying that this could be too long and too unwinning and it would not look nice, and therefore, taking into consideration all these things it has been done like that. The first thing is availability of the drug at a fair price, at a reasonable price. Therefore. I appreciate what the Minister has done in bringing 21 under control. I would like to know how and what steps he is going to take. He has already expressed in the press release which he has given or which the Government has given on the 9th March, 1990 that not only these but there are other drugs which will be brought under the price control plus the overcharged amount will also be recovered. Therefore, I would like to know **within what**

time these things are going to be done. The Government had given an assurance years ago aad these things have not been done so far. So what is the tune-limit?

SHRI M. S. GURUPADASWAMY; Sir, I will have to take an equally long time to reply because she has raised a series of questions, not one....

MR. CHAIRMAN. Her ultimate question is about the time-limit.

SHRI M. S. GURUPADASWAMY: Will she is satisfied if I just answer that ultimate question? Let me go through all her questions, every one of her points. She has asked why a decision was not taken to include these drugs much earlier. Unfortunately I was not a Minister much earlier. I have become a Minister for the last three months and I will took into the whole question and...

SHRI SUBRAMANIAN SWAMY: How many days are you going to last?

SHRI M. S. GURUPADASWAMY; May I ask how many days you will last?

She has quoted the Kelkar Committee members who dealt with the exclusion and inclusion of drugs in category 1, category 2, etc. And Members have also criticised the Kelkar Committee, that the Kelkar Committes excluded some drugs for no proper reason. Therefore, thee has been criticism levelled against the Kelkar Committee also and yet Kelkar Committee has been quoted. This is the problem. I have taken a view without waiting further that with a view to ensuring abundant supply of drugs to ordinary people at reasonable pricess, I have brought these 21 bulk drugs under price control. I know all these 21 bulk drugs are imported. And there was a sort of a guideline given to manufacturers that these bulk drags, after a certain time, should be manufactured in the country itself. For the last 8 to 10 years these bulk drugs have been imported. No manufacturer has started manufacturing even a single bulk drug. And the manufacturers have a grievance against me. They have said that my decision is arbitrary, that my decision is unilateral. It is neither arbitrary nor unilateral. I have taken my depision on the basis, of material available to me and I have also taken into consideration the various suggestions made by honourable Members here. And this is not an exhaustive list. Let me assure my honourable friend here. The whole thing is being reviewed. On the basis of these 21 bulk drugs nearly 164 packs[1] of formulations have been brought under price control. After I announced these new prices if I can just give you the figures of decrease, the percentage of decrease ranges from 23 per cent to 183 per cent. The decrease in some cases is upto 146 per cent—it is not 10 per cent or 20 per cent. The decrease is of 183 per cent, 145 per cent, 246 per cent, 152 per cent, 170 per cent, 103 per cent, and so on. The decrease is tremendous. I have taken care to see that production is not affected, that the producers must get their margin, that they should have investable surplus, so that the surplus may be invested again. I have taken all these into consideration and then only I have taken decision. This list is only illustrative. Let me repeat again. The Standing Committee which I have set up is going in to the whole question. And as I have said very shortly they are going to take a view. Let me also reiterate again. They have also to consider to what extent we should have control over drugs and to what extent we should not have it. These are important questions.

MR. CHAIRMAN: She wanted TO know how long?

SHRI M S. GURUPADASWAMY; Shortly, Sir. *(Interruptions)*

DR. (SHRIMATI) SAROJINI MAHISHI: The Minister says that the prices have been reduced to this extent It means they had risen earlier. Why did they rise earlier? This question has to be investigated.

SHRI JAGESH DESAI; Mr. Gurupadaswamy is a very sincere . Minister. He said that he has taken 21MlrugS. T am very happy about it. But I would like to know 'from the hon. Minister—the margin in these formulations in some

cases, as I told earlier in this House—is 300 per cent—whether the Government is also going to refer it to a Standing Committee; -where the profit is more than 25 per cent, such formulations should be referred to the Committee. Will the Government take any action to see that no drug has more than 25 per cent profit? Will the Government do it? Please enlighten us,

SHRI M. S. GURUPADASWAMY; Sir, may I take this opportunity to make an observation? Whenever we want to have a cost analysis of various drugs, all the materials are not available with us; number one. Two, the machinery of the Government is very limited and the drugs are in huge numbers. *(Interruption)* I just make an observation—I am not making a comment—so that you may appreciate *my* difficulty. Sir, I share the concern of the House and the concern of the hon. Member. It is true that in certain drugs the profit margin is nearly 200 and 300 per cent. It has come to *my* knowledge That is why as soon as I became a Minister I called all the records and reports. I wanted to assure an abundant supply of drugs, quality drugs, at reasonable prices to the people without affecting adversely the investment programme. Therefore, all these things have been taken into consideration. It is not only those drugs where the profit margin is 25 per cent and above but all the drugs are under review. But **the** only point is how far they as the Government are competent if they control them. It is very difficult. The large question is to what extent we can control. The other question cannot be answered in a brief time

SHRI KAMAL MORARKA; Sir, I do not want to add to the headache of the hon. Minister. *(Interruptions)* Sir, this matter of drugs has come to the House again and again. And we observed last year and you were to observe that so many names of drugs come to the House that it is impossible for Members) understand. Sir, I want only a small assurance from the hon. Minister. The number of drugs being many and the rumber of manufacturers also being many—there are only 10 or 20 big manufacturers who were earlier FERA companies, and I am not concerned with them, but **there** are hundreds of small and medium manufacturer—**it** is one thing to say that 21 drugs have been controlled. What I see from the Press reports is that there is a hue and cry in the industry why these 21 drugs have been selected when according to the Kelkar Committee, according to one interpretation, the list should be of 65 drugs and another interpretation it should be less than 21. The whole thinp appears to be very complicated. I want an assurance from the hon. Minister that: either you have at Standing Committee of experts.. .

SHRI SURESH KALMADL One more committee?

SHRI KAMAL MORARKA; Do not make fun. This is another strange part, You are provoking me. Just *now* an hon. Member from the other side has asked, why only 21 drugs have been controlled. Somebody may turn round and ask, why 21 drugs were not controlled earlier. This question is being... *(Interruptions)* You are provoking me. I can't help it. I want an assurance from the. .. *(Interruptions)*. As MPs we should be concerned with the availability of adequate quantity of drugs at fair prices to consumers What steps is the Government taking to ensure that the manufacturers, consumers, public interest forums and the Drug Controller are consulted and what steps axe envisaged to have a national drug policy? That is what I want to know.

SHRI M. S. GURUPADASWAMY: Sir, let me say that Shri Kamal Morarka's question is a sort of sedative. It is not a headache. His question has a tranquilizing effect on me. All the interests which are involved in the maufacture of drugs, their distribution and consumption have got to be harmonised. Consumer is the soverign. Producer is very important and the distributor is equally important. The interests of all these elements in the drug industry have

got to be kept in view. Keeping that in view, we have to formulate a drug policy. Let me tell you, Sir, that Kelkar Committee report is not a Magna Carta. It is not a Bible. Members have questioned it. It is a basis. It can be referred to. At that point of time, the Kelkar Committee, in its wisdom, thought that these drugs should be included in Category II. Previously there were more than 300 drugs which were controlled. Till I announced, we were controlling about 100 and odd drugs. Now I have increased the list. Therefore, it is under review. So far as the policy is concerned, the policy is also under review. The Standing Committee is going into all these questions. But let me repeat, Sir, that the Government has got a very limited machinery to deal with these complicated questions.

SHRI PUTTAPAGA RADHAKRISHNA; Sir, I wanted to put a very concentrated supplementary. But Mr. Morarka has diluted it.

MR. CHAIRMAN. You put the concentrate now.

SHRI PUTTAPAGA RADHAKRISHNA; Sir, according to the Statement of the Minister, the first report of the Kelkar Committee was submitted in July 1987. After submission of this report, there were several representations against the Kelkar Committee and the Committee's term was extended to examine those representations and criticisms. They have given another supplementary report in October 1988. That is also being criticised. Even according to the Minister, there is no satisfaction over the report of the Kelkar Committee and, that is why, they are re-examining the whole thing. At one stage the Minister has also stated that they have taken steps to recover the overcharged prices from the companies. Had the prices been controlled at the earlier stage, the henefit would have gone to the consumers. If the overcharged prices are recovered from the company, naturally the consumer will not get anything and the benefit will go to the public exchequer. In the light of the report and the discussions in this House, I would like to know from the hon Minister whether they are going to take immediate steps to review the entire drug policy even deviating from the original policy of 1986 and that they are going to give an immediate relief on the uncontrolled drug; in the country.

SHRI M. S. GURUPADASWAMY; Sir, I have already said that the drug policy, DPCO 1987, is under review. The Standing Committee and the Expert Committees set up by the Standing Committee are going into the whole question. The Standing Committee is meeting on the 28th of this month to review the whole thing and they will make recommendations to me. So far as his question about the recovery of the unintended profit is concerned, I would say that it is a different question. But I do not want to take shelter under that. Let me ; share my concern with the hon. Member. I am concerned equally with that. I think a large amount of money is due from the manufacturers. I think, I have to take steps to recover this money. It may run into quite a few crores. I don't want to commit myself to any figure. We are trying our best to recover that money which is due from them.

*183. *[The questioner (Shri Satya Prakash Malaviyd) was absent. For answer,* vide *col.* 27 infra.]

Vacancies in Indian Airlines

*184. SHRI KRISHNA KUMAR BIRLA: Will the Minister of CIVIL AVIATION be pleased to state;

(a) what is the number of existing vacancies in the Indian Airlines till date and in how many cases (with nomenclature of posts) persons are continuing even after attaining the age of superannuation;

(b) what are the circumstances under which persons are continuing even after the age of superannuation; and

(c) what are the reasons for not filling up the vacancies in the Indian Airlines?

THE MINISTER OF ENERGY WITH ADDITIONAL CHARGE OF